

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF NOLIN)	CASE NO. 96-542
RURAL ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1994 TO OCTOBER 31, 1996)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 14, 1996 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Nolin Rural Electric Cooperative Corporation ("Nolin") for the two years ended October 31, 1996.

As part of this review, the Commission ordered Nolin to submit certain information and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Nolin has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Nolin has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Nolin, has been authorized to transfer (roll-in) a 0.23 mills per Kwh decrease in its base fuel cost to its base rates.¹

3. Nolin should be authorized to transfer (roll-in) a 0.24 mills per Kwh decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.23 mills per Kwh decrease in EKPC's base rates. This transfer can best be accomplished by a negative energy adder to each Kwh sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable, and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Nolin through the FAC for the period November 1, 1994 to October 31, 1996 are approved.

2. Nolin is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

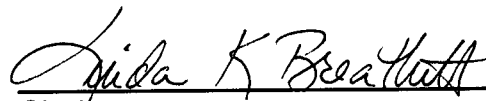
3. The rates in Appendix A are approved for service rendered by Nolin on and after September 1, 1997.


4. Within 30 days of the date of this Order, Nolin shall file with the Commission revised tariff sheets setting out the rates approved herein.

¹ Case No. 96-522, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1994 to October 31, 1996.

Done at Frankfort, Kentucky, this 20th day of August, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-542 DATED AUGUST 20, 1997

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE 1 RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES

Rate:

All KWH	\$0.05432 Per KWH
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SCHEDULE 2 COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE-PHASE SERVICE

Rate:

All KWH	\$0.06146 Per KWH
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SCHEDULE 3 LARGE POWER

Rate:

Energy Charge

First	2,500 KWH Per Month	\$0.05036 Net Per KWH
Next	12,500 KWH Per Month	0.04591 Net Per KWH
Over	15,000 KWH Per Month	0.04457 Net Per KWH

SCHEDULE 4 INDUSTRIAL

Rate:

Energy Charge

First	3,500 KWH Per Month	\$0.05389 Net Per KWH
Next	6,500 KWH Per Month	0.04110 Net Per KWH
Over	10,000 KWH Per Month	0.03778 Net Per KWH

SCHEDULE 5
SECURITY LIGHTS

Rate Per Month:

175 Watt Mercury Vapor	\$ 6.24
100 Watt High Pressure Sodium	6.24
100 Watt Directional Floodlight	5.65
250 Watt Directional Floodlight	9.12
400 Watt Directional Floodlight	11.98
100 Watt Directional Floodlight	9.07
400 Watt Directional Floodlight	13.10

SCHEDULE 6

Rate Per Month:

Standard Overhead - Wood Pole		
8,500 MV	Initial Lumens	\$ 2.63
23,000 MV	Initial Lumens	8.39
9,500 HPS	Initial Lumens	5.17
27,500 HPS	Initial Lumens	7.32
50,000 HPS	Initial Lumens	9.42
Ornamental Service - Aluminum Pole		
8,500 MV	Initial Lumens	\$ 3.71
23,000 MV	Initial Lumens	9.53
9,500 HPS	Initial Lumens	12.83
27,500 HPS	Initial Lumens	14.43
50,000 HPS	Initial Lumens	16.04

SCHEDULE 7
LARGE INDUSTRIAL

Rate Per Month:

Energy Charge - All KWH	\$0.03320 Net Per KWH
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SCHEDULE 8
LARGE INDUSTRIAL, T-O-D

Rate Per Month:

Energy Charge - All KWH	\$0.03320 Net Per KWH
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SCHEDULE 9
INDUSTRIAL - 1,000 - 4,999 KW

Rate:

All KWH \$0.03138 Net Per KWH

SCHEDULE 10
INDUSTRIAL - 5,000 - 9,999 KW

Rate:

All KWH \$0.02638 Net Per KWH

SCHEDULE 11
INDUSTRIAL - OVER 10,000 KW

Rate:

All KWH \$0.02538 Net Per KWH

SCHEDULE 12
INDUSTRIAL C - 1,000 - 4,999 KW

Rate:

All KWH \$0.03138 Net Per KWH

SCHEDULE 13
INDUSTRIAL C - 5,000 - 9,999 KW

Rate:

All KWH \$0.02638 Net Per KWH

SCHEDULE 14
INDUSTRIAL C - OVER 10,000 KW

Rate:

All KWH \$0.02538 Net Per KWH